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## **USTR's Zoellick Says No New Zealand Free Trade Agreement Looming**

(He cites problems with sensitive imports, NZ government actions) (490)

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Washington — U.S. Trade Representative Robert Zoellick has dismissed the idea of negotiating a free trade agreement (FTA) with New Zealand any time soon.

In May 21 testimony before the House of Representatives Agriculture Committee, Zoellick said the negotiations for an FTA with Australia, which President Bush aims to complete in 2003, would not extend to New Zealand.

"That's not my present expectation," Zoellick said.

Citing one challenge, he indicated U.S. farm groups would likely oppose increasing imports of New Zealand lamb and dairy products, diminishing support for such an agreement in Congress.

Without elaborating, he also said New Zealand had taken some actions recently that would pose problems for congressional passage of a New Zealand FTA.

On another topic, some House members said they hoped the Bush administration was not delaying signing of a negotiated FTA with Chile in retaliation for Chile's lack of support in the U.N. Security Council for the U.S. position on Iraq. President Bush has already signed the Singapore FTA, which was negotiated at the same time.

Zoellick said he expected signing of the Chile FTA "very soon." The administration could send both the Chile and Singapore agreements to Congress for approval at the same time, perhaps even over the next couple of months, he said.

The trade representative tackled a number of questions from House members on bilateral issues.

He indicated readiness to use "the tools at our disposal," a reference to retaliatory trade sanctions, if Russia continued to impose quotas on imports of U.S. poultry, beef and pork.

"We have made it extremely clear that this is not the way to do business if they [Russians] expect to become members" of the World Trade Organization (WTO), Zoellick said.

China has already gained WTO accession, but House members complained that China was not complying with its WTO obligations in agriculture, including its administration of tariff-rate quotas (TRQs), in which much higher tariffs are imposed on imports above a quota level.

Zoellick said that, while the Chinese have made good progress on WTO commitments, they have a long way to go and indicate they understand that. He reserved the right to file a WTO challenge on any violation of China's obligations if necessary, including on TRQs.

"This is an area we have to clean up fast," he said.

House members complained about a number of agricultural import barriers imposed by Mexico soon after eliminating all tariffs on those products January 1 under the terms of the North American Free Trade Agreement.

Zoellick said the Bush administration was working with Mexico to resolve these disputes. He said he received a letter from the Mexican government earlier that day indicating it would eliminate by May 26 antidumping duties recently imposed on imports of live swine.

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